



December 18, 2013

To: Governing Board

Subject: **Silver2Silver Program Continuation**

Recommendations

1. Receive an oral report on the customer feedback related to the proposed continuation of Foothill Transit's Silver2Silver Program with L.A. Metro; and
2. Based on the customer feedback received, authorize the Executive Director to continue Foothill Transit's Silver2Silver Program with L.A. Metro.

Analysis

Improving regional mobility has always been a primary goal of transit for the Los Angeles basin as well as the eastern San Gabriel and Pomona Valleys. The opening of the new El Monte Bus Station in 2012 provided an opportunity for Foothill Transit and Los Angeles Metro to coordinate on the provision of seamless and truly regional service between El Monte Station and Downtown Los Angeles. This project was named Silver2Silver after Metro's Silver Line and Foothill Transit's Silver Streak service. These lines provide similar service between El Monte Station and Downtown Los Angeles utilizing the El Monte Busway. The coordination of service between the two agencies provided more transit options and a more simplified fare structure during the promotional period.

Foothill Transit's Governing Board, at their meeting on October 30, 2013 authorized the Executive Director to conduct public hearings regarding the continuations of the Silver2Silver program beyond the initial promotional period. The continued fare reduction would be in concert with an agreement with Los Angeles Metro to honor Foothill Transit 31-day passes on their Silver Line Service as well as allow customers who have Los Angeles Metro passes to utilize Foothill Transit's Silver Streak Service for travel between El Monte Station and Downtown Los Angeles.

Ridership on the Silver Streak has increased exponentially since the start of the Silver2Silver program and has exceeded expectations. Through December 2013, the fare revenue impact is projected at \$679,420. Of this amount, \$207,303 is estimated to result from the fare reduction while \$468,706 is a result of Foothill Transit's acceptance of Metro passes on Silver Streak. The revenue impact as a result of accepting Metro passes and the reduced fare collected per customer will be mitigated through a fare reimbursement agreement with Metro. The Silver2Silver program has achieved all the goals of both agencies and Metro has a vested interest in its continuation. Immediately following the October meeting, an outreach campaign was launched to gather public comments regarding the fare reduction. All comments received were



through email. Responses were also sought and encouraged through the Foothill Transit Customer Comment Line, via Fax, via postal mail and in person at the Transit Stores. In addition, three public meetings were conducted on November 18th, 19th, and 20th. The breakdown of comments received is as follows:

- Of the 19 comments received, 18 were in support of the proposal
- One comment did not support the proposal and suggested instead lowering fares on another line

Based on Foothill Transit's overall financial position; ridership trends on the Silver Streak since the program began; the comments received; and the agreement between Metro and Foothill Transit to allocate funding to Foothill Transit to cover the fare reduction and pass sharing program, the following continued fare reduction on the Silver Streak is recommended:

Fare Type	Previous	Current and Proposed
Cash	\$2.75	\$2.45
Foothill Transit Passes	Honored only on Foothill Transit buses	Honored on Foothill Transit buses and Metro Silver Line buses
Metro Day Passes and Multi-day Transit Passes	Honored only on Metro buses	Honored on Metro buses and Foothill Transit Silver Streak buses
31-Day Foothill Transit Passes	\$22.00 – \$170.00	Maintain pass prices Reduce upcharge costs
EZ transit pass	\$35.00 - \$194.00	Accept Zone 2 EZ transit Pass at El Monte Station Westbound Accept Zone 2 or 3 EZ transit Pass from Downtown Los Angeles Eastbound
EZ transit Pass Upcharge	\$1.50	Match Metro upcharges depending on passes used
Student/Senior/Disabled/Medicare	\$2.75 during peak periods; \$1.35 during off-peak periods	\$1.15 all day



Title VI Analysis

As required of transit agencies receiving federal funding, a Title VI fare equity analysis was conducted to assess the effects of the proposed fare changes on minority and/or low-income populations. This analysis included reviewing the demographic make-up of Silver Streak riders and modes of payment or payment media to determine if the fare reduction would have a disproportionately high or adverse effect on minority and/or low-income riders. The analysis concluded that the proposed fare change is a fare reduction that is anticipated to have minimal, if any negative impacts on low-income and minority populations, especially considering that Silver Streak cash fares have been included in the decrease.

The launch of this fare reduction recaptured Foothill Transit Silver Streak ridership and increased overall Silver Streak ridership by approximately 18 percent. Without the increased ridership, an evaluation of the demand for the level of service would have been undertaken and could have resulted in decreased frequencies or public transit service that is competing to capture riders based on price. Additionally, Los Angeles Metro's service along the El Monte busway was operating above capacity prior to the Silver2Silver program launch. Ridership loads between the two services have equalized and currently provide more transit options through this heavily traveled corridor.

Fiscal Impact

Foothill Transit's fare revenue impact is estimated at \$679,420 during the promotional period from October 2012 through December 2013. A similar impact annualized at \$580,000 is projected should the program be continued. The revenue impact as a result of accepting Metro passes and the reduced fare collected per customer will be mitigated through a fare reimbursement agreement with Metro (**Attachment A**). It should be noted that Foothill Transit receives Measure R funding for the purpose of expanding services and/or reducing fares. These funds will be used to offset the reduction in fare revenue associated with the continuation of this program.

Sincerely,

A blue ink signature of Felicia Friesema, consisting of a stylized 'F' followed by a long horizontal flourish.

Felicia Friesema
Director of Marketing and Communications

A blue ink signature of Doran J. Barnes, featuring a stylized 'D' and 'B' with a horizontal line.

Doran J. Barnes
Executive Director

Attachment

AGREEMENT NO. _____

AGREEMENT REGARDING LACMTA ACCEPTANCE OF FOOTHILL TRANSIT PREPAID FARE MEDIA ON SILVER LINE AND FOOTHILL TRANSIT ACCEPTANCE OF LACMTA PREPAID FARE MEDIA ON SILVER STREAK BETWEEN EL MONTE STATION AND DOWNTOWN LA

This **AGREEMENT REGARDING LACMTA ACCEPTANCE OF FOOTHILL TRANSIT PREPAID FARE MEDIA ON SILVER LINE AND FOOTHILL TRANSIT ACCEPTANCE OF LACMTA PREPAID FARE MEDIA ON SILVER STREAK BETWEEN EL MONTE STATION AND DOWNTOWN LA** ("Agreement") is made and entered into _____, 2014, by and between the Los Angeles County Metropolitan Transportation Authority ("MTA"), a public agency, corporate and politic, and Foothill Transit ("FT"), a joint powers agency, collectively referred to herein as the "Parties".

RECITALS

This Agreement is made and entered into with respect to the following facts:

WHEREAS, MTA operates the Silver Line between El Monte Station and Harbor/Gateway Transit Center via downtown LA;

WHEREAS, FT operates the Silver Streak between Montclair Transit Center and downtown LA;

WHEREAS, The Silver Line and Silver Streak both operate along the El Monte Busway between El Monte Station and downtown LA;

WHEREAS, at the April 26, 2012 meeting of the MTA Board of Directors, the MTA authorized the MTA Chief Executive Officer to enter into Agreement with FT;

WHEREAS, FT has adjusted fares on the Silver Streak to be similar to the Silver Line fare structure;

WHEREAS, MTA and FT recognize TAP as the regional fare collection system;

WHEREAS, MTA and FT agree each agency will accept each other's prepaid fare media listed in Exhibit A on the Silver Line and Silver Streak as full fare;

WHEREAS, The ExpressLanes program provides funding for transit service enhancements along the Harbor Transitway (I-110) and El Monte Busway (I-10);

NOW, THEREFORE, THE PARTIES AGREE to the terms and conditions set forth as follows:

- I. MTA agrees to accept FT prepaid fare media as listed below as full fare payment on MTA Silver Line between El Monte Station and downtown LA:
 - Local Passes
 - Silver Streak Passes
 - Commuter Express Passes

- II. FT agrees to accept MTA prepaid fare media as listed below as full fare payment on FT Silver Streak between El Monte Station and downtown LA:
- Annual Passes – ATAP or BTAP
 - 30 Day Passes
 - Day Passes
 - ITAP – UCLA, USC
 - 7 Day Passes
 - 2-, 3-, 5-Day Promotional Passes
- III. No MTA or FT employee passes, current or retired will be included under this agreement.
- IV. TAP data will be reviewed on a quarterly basis to determine the total number of MTA passengers carried by FT; the total number of FT passengers carried by MTA; and the net passenger and revenue gains and losses by both agencies based on passengers carried and the average pass fare for each service.
- $$\begin{aligned} & (\text{Number of Metro Passengers on FT Silver Streak} \times \text{FT Average Pass Fare}) - \\ & (\text{Number of FT Passengers on Metro Silver Line} \times \text{Metro Average Pass Fare}) \\ & = \text{Revenue Loss/Gain} \end{aligned}$$
- V. MTA and FT will assume a loss in fare revenue of up to \$250,000 during any one fiscal year before seeking reimbursements through the ExpressLanes program.
- VI. MTA and FT agree to jointly market this program.
- VII. MTA and FT will annually evaluate the program based on ridership and revenue impacts.
- VIII. This Agreement will be in effect beginning _____. Each party has the right to terminate this Agreement with written notification received by the other party at least 60 days prior to the intended termination date.